

116TH CONGRESS
1ST SESSION

H. R. 3301

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, to provide disaster relief, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2019

Mr. THOMPSON of California introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, to provide disaster relief, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; ETC.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Taxpayer Certainty and Disaster Tax Relief Act of
6 2019”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—EXTENSION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Relief and Support for Families and Individuals

- Sec. 101. Exclusion from gross income of discharge of qualified principal residence indebtedness.
- Sec. 102. Treatment of mortgage insurance premiums as qualified residence interest.
- Sec. 103. Reduction in medical expense deduction floor.
- Sec. 104. Deduction of qualified tuition and related expenses.
- Sec. 105. Black lung disability trust fund excise tax.

Subtitle B—Incentives for Employment, Economic Growth, and Community Development

- Sec. 111. Indian employment credit.
- Sec. 112. Railroad track maintenance credit.
- Sec. 113. Mine rescue team training credit.
- Sec. 114. 7-year recovery period for motorsports entertainment complexes.
- Sec. 115. Accelerated depreciation for business property on Indian reservations.
- Sec. 116. Expensing rules for certain productions.
- Sec. 117. Empowerment zone tax incentives.
- Sec. 118. American Samoa economic development credit.

Subtitle C—Incentives for Energy Production, Efficiency, and Green Economy Jobs

- Sec. 121. Biodiesel and renewable diesel.
- Sec. 122. Second generation biofuel producer credit.
- Sec. 123. Nonbusiness energy property.
- Sec. 124. Qualified fuel cell motor vehicles.
- Sec. 125. Alternative fuel refueling property credit.
- Sec. 126. 2-wheeled plug-in electric vehicle credit.
- Sec. 127. Credit for electricity produced from certain renewable resources.
- Sec. 128. Production credit for Indian coal facilities.
- Sec. 129. Energy efficient homes credit.
- Sec. 130. Special allowance for second generation biofuel plant property.
- Sec. 131. Energy efficient commercial buildings deduction.
- Sec. 132. Special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.
- Sec. 133. Extension and clarification of excise tax credits relating to alternative fuels.
- Sec. 134. Oil spill liability trust fund rate.

Subtitle D—Certain Provisions Expiring at the End of 2019

- Sec. 141. New markets tax credit.
- Sec. 142. Employer credit for paid family and medical leave.
- Sec. 143. Work opportunity credit.
- Sec. 144. Certain provisions related to beer, wine, and distilled spirits.
- Sec. 145. Look-thru rule for related controlled foreign corporations.
- Sec. 146. Credit for health insurance costs of eligible individuals.

TITLE II—ESTATE AND GIFT TAX

- Sec. 201. Reduction of unified credit against estate tax.

TITLE III—DISASTER TAX RELIEF

- Sec. 301. Definitions.

- Sec. 302. Special disaster-related rules for use of retirement funds.
- Sec. 303. Employee retention credit for employers affected by qualified disasters.
- Sec. 304. Other disaster-related tax relief provisions.
- Sec. 305. Automatic extension of filing deadlines in case of certain taxpayers affected by Federally declared disasters.
- Sec. 306. Modification of the tax rate for the excise tax on investment income of private foundations.
- Sec. 307. Additional low-income housing credit allocations for qualified 2017 and 2018 California disaster areas.
- Sec. 308. Treatment of certain possessions.

1 (c) AMENDMENT OF 1986 CODE.—Except as other-
 2 wise expressly provided, whenever in this Act an amend-
 3 ment or repeal is expressed in terms of an amendment
 4 to, or repeal of, a section or other provision, the reference
 5 shall be considered to be made to a section or other provi-
 6 sion of the Internal Revenue Code of 1986.

7 **TITLE I—EXTENSION OF**
 8 **CERTAIN EXPIRING PROVISIONS**
 9 **Subtitle A—Tax Relief and Support**
 10 **for Families and Individuals**

11 **SEC. 101. EXCLUSION FROM GROSS INCOME OF DISCHARGE**
 12 **OF QUALIFIED PRINCIPAL RESIDENCE IN-**
 13 **DEBTEDNESS.**

14 (a) IN GENERAL.—Section 108(a)(1)(E) is amended
 15 by striking “January 1, 2018” each place it appears and
 16 inserting “January 1, 2021”.

17 (b) CONFORMING AMENDMENT.—Section 108(h)(2)
 18 is amended by inserting “and determined without regard
 19 to the substitution described in section
 20 163(h)(3)(F)(i)(II)” after “clause (ii) thereof”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to discharges of indebtedness after
3 December 31, 2017.

4 **SEC. 102. TREATMENT OF MORTGAGE INSURANCE PRE-**
5 **MIUMS AS QUALIFIED RESIDENCE INTEREST.**

6 (a) IN GENERAL.—Section 163(h)(3)(E)(iv)(I) is
7 amended by striking “December 31, 2017” and inserting
8 “December 31, 2020”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to amounts paid or incurred after
11 December 31, 2017.

12 **SEC. 103. REDUCTION IN MEDICAL EXPENSE DEDUCTION**
13 **FLOOR.**

14 (a) IN GENERAL.—Section 213(f) is amended to read
15 as follows:

16 “(f) TEMPORARY SPECIAL RULE.—In the case of tax-
17 able years beginning before January 1, 2021, subsection
18 (a) shall be applied with respect to a taxpayer by sub-
19 stituting ‘7.5 percent’ for ‘10 percent’.”.

20 (b) ALTERNATIVE MINIMUM TAX.—Section 56(b)(1)
21 is amended by striking subparagraph (B) and by redesignig-
22 nating subparagraphs (C), (D), (E), and (F), as subpara-
23 graphs (B), (C), (D), and (E), respectively.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years ending after De-
3 cember 31, 2018.

4 **SEC. 104. DEDUCTION OF QUALIFIED TUITION AND RE-**
5 **LATED EXPENSES.**

6 (a) IN GENERAL.—Section 222(e) is amended by
7 striking “December 31, 2017” and inserting “December
8 31, 2020”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to taxable years beginning after
11 December 31, 2017.

12 **SEC. 105. BLACK LUNG DISABILITY TRUST FUND EXCISE**
13 **TAX.**

14 (a) IN GENERAL.—Section 4121(e)(2)(A) is amended
15 by striking “December 31, 2018” and inserting “Decem-
16 ber 31, 2020”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply on and after the first day of the
19 first calendar month beginning after the date of the enact-
20 ment of this Act.

1 **Subtitle B—Incentives for Employ-**
2 **ment, Economic Growth, and**
3 **Community Development**

4 **SEC. 111. INDIAN EMPLOYMENT CREDIT.**

5 (a) IN GENERAL.—Section 45A(f) is amended by
6 striking “December 31, 2017” and inserting “December
7 31, 2020”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to taxable years beginning after
10 December 31, 2017.

11 **SEC. 112. RAILROAD TRACK MAINTENANCE CREDIT.**

12 (a) IN GENERAL.—Section 45G(f) is amended by
13 striking “January 1, 2018” and inserting “January 1,
14 2021”.

15 (b) SAFE HARBOR ASSIGNMENTS.—Any assignment,
16 including related expenditures paid or incurred, under sec-
17 tion 45G(b)(2) of the Internal Revenue Code of 1986 for
18 a taxable year beginning on or after January 1, 2018, and
19 before January 1, 2019, shall be treated as effective as
20 of the close of such taxable year if made pursuant to a
21 written agreement entered into no later than 90 days fol-
22 lowing the date of the enactment of this Act.

23 (c) EFFECTIVE DATE.—The amendment made by
24 this section shall apply to expenditures paid or incurred
25 during taxable years beginning after December 31, 2017.

1 **SEC. 113. MINE RESCUE TEAM TRAINING CREDIT.**

2 (a) IN GENERAL.—Section 45N(e) is amended by
3 striking “December 31, 2017” and inserting “December
4 31, 2020”.

5 (b) EFFECTIVE DATE.—The amendment made by
6 this section shall apply to taxable years beginning after
7 December 31, 2017.

8 **SEC. 114. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS**
9 **ENTERTAINMENT COMPLEXES.**

10 (a) IN GENERAL.—Section 168(i)(15)(D) is amended
11 by striking “December 31, 2017” and inserting “Decem-
12 ber 31, 2020”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to property placed in service after
15 December 31, 2017.

16 **SEC. 115. ACCELERATED DEPRECIATION FOR BUSINESS**
17 **PROPERTY ON INDIAN RESERVATIONS.**

18 (a) IN GENERAL.—Section 168(j)(9) is amended by
19 striking “December 31, 2017” and inserting “December
20 31, 2020”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply to property placed in service after
23 December 31, 2017.

1 **SEC. 116. EXPENSING RULES FOR CERTAIN PRODUCTIONS.**

2 (a) IN GENERAL.—Section 181(g) is amended by
3 striking “December 31, 2017” and inserting “December
4 31, 2020”.

5 (b) EFFECTIVE DATE.—The amendment made by
6 this section shall apply to productions commencing after
7 December 31, 2017.

8 **SEC. 117. EMPOWERMENT ZONE TAX INCENTIVES.**

9 (a) IN GENERAL.—Section 1391(d)(1)(A)(i) is
10 amended by striking “December 31, 2017” and inserting
11 “December 31, 2020”.

12 (b) TREATMENT OF CERTAIN TERMINATION DATES
13 SPECIFIED IN NOMINATIONS.—In the case of a designa-
14 tion of an empowerment zone the nomination for which
15 included a termination date which is contemporaneous
16 with the date specified in subparagraph (A)(i) of section
17 1391(d)(1) of the Internal Revenue Code of 1986 (as in
18 effect before the enactment of this Act), subparagraph (B)
19 of such section shall not apply with respect to such des-
20 ignation if, after the date of the enactment of this section,
21 the entity which made such nomination amends the nomi-
22 nation to provide for a new termination date in such man-
23 ner as the Secretary of the Treasury (or the Secretary’s
24 designee) may provide.

1 (c) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to taxable years beginning after
3 December 31, 2017.

4 **SEC. 118. AMERICAN SAMOA ECONOMIC DEVELOPMENT**
5 **CREDIT.**

6 (a) IN GENERAL.—Section 119(d) of division A of
7 the Tax Relief and Health Care Act of 2006 is amended—

8 (1) by striking “January 1, 2018” each place
9 it appears and inserting “January 1, 2021”,

10 (2) by striking “first 12 taxable years” in para-
11 graph (1) and inserting “first 15 taxable years”,

12 (3) by striking “first 6 taxable years” in para-
13 graph (2) and inserting “first 9 taxable years”, and

14 (4) by adding at the end the following flush
15 sentence:

16 “In the case of a corporation described in subsection
17 (a)(2), the Internal Revenue Code of 1986 shall be applied
18 and administered without regard to the amendments made
19 by section 401(d)(1) of the Tax Technical Corrections Act
20 of 2018.”.

21 (b) CONFORMING AMENDMENT.—Section 119(e) of
22 division A of the Tax Relief and Health Care Act of 2006
23 is amended by inserting “(as in effect before its repeal)”
24 after “section 199 of the Internal Revenue Code of 1986”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2017.

4 **Subtitle C—Incentives for Energy**
5 **Production, Efficiency, and**
6 **Green Economy Jobs**

7 **SEC. 121. BIODIESEL AND RENEWABLE DIESEL.**

8 (a) INCOME TAX CREDIT.—

9 (1) IN GENERAL.—Section 40A(g) is amended
10 by striking “December 31, 2017” and inserting
11 “December 31, 2020”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by this subsection shall apply to fuel sold or used
14 after December 31, 2017.

15 (b) EXCISE TAX INCENTIVES.—

16 (1) TERMINATION.—

17 (A) IN GENERAL.—Section 6426(e)(6) is
18 amended by striking “December 31, 2017” and
19 inserting “December 31, 2020”.

20 (B) PAYMENTS.—Section 6427(e)(6)(B) is
21 amended by striking “December 31, 2017” and
22 inserting “December 31, 2020”.

23 (2) EFFECTIVE DATE.—The amendments made
24 by this subsection shall apply to fuel sold or used
25 after December 31, 2017.

1 (3) SPECIAL RULE.—Notwithstanding any other
2 provision of law, in the case of any biodiesel mixture
3 credit properly determined under section 6426(c) of
4 the Internal Revenue Code of 1986 for the period
5 beginning on January 1, 2018, and ending with the
6 close of the last calendar quarter beginning before
7 the date of the enactment of this Act, such credit
8 shall be allowed, and any refund or payment attrib-
9 utable to such credit (including any payment under
10 section 6427(e) of such Code) shall be made, only in
11 such manner as the Secretary of the Treasury (or
12 the Secretary’s delegate) shall provide. Such Sec-
13 retary shall issue guidance within 30 days after the
14 date of the enactment of this Act providing for a
15 one-time submission of claims covering periods de-
16 scribed in the preceding sentence. Such guidance
17 shall provide for a 180-day period for the submission
18 of such claims (in such manner as prescribed by
19 such Secretary) to begin not later than 30 days after
20 such guidance is issued. Such claims shall be paid
21 by such Secretary not later than 60 days after re-
22 ceipt. If such Secretary has not paid pursuant to a
23 claim filed under this subsection within 60 days
24 after the date of the filing of such claim, the claim
25 shall be paid with interest from such date deter-

1 mined by using the overpayment rate and method
2 under section 6621 of such Code.

3 **SEC. 122. SECOND GENERATION BIOFUEL PRODUCER**
4 **CREDIT.**

5 (a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended
6 by striking “January 1, 2018” and inserting “January 1,
7 2021”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to qualified second generation
10 biofuel production after December 31, 2017.

11 **SEC. 123. NONBUSINESS ENERGY PROPERTY.**

12 (a) IN GENERAL.—Section 25C(g)(2) is amended by
13 striking “December 31, 2017” and inserting “December
14 31, 2020”.

15 (b) TECHNICAL AMENDMENT.—Section 25C(d)(3) is
16 amended—

17 (1) by striking “an energy factor of at least
18 2.0” in subparagraph (A) and inserting “a Uniform
19 Energy Factor of at least 2.2”, and

20 (2) by striking “an energy factor” in subpara-
21 graph (D) and inserting “a Uniform Energy Fac-
22 tor”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to property placed in service after
25 December 31, 2017.

1 **SEC. 124. QUALIFIED FUEL CELL MOTOR VEHICLES.**

2 (a) IN GENERAL.—Section 30B(k)(1) is amended by
3 striking “December 31, 2017” and inserting “December
4 31, 2020”.

5 (b) EFFECTIVE DATE.—The amendment made by
6 this section shall apply to property purchased after De-
7 cember 31, 2017.

8 **SEC. 125. ALTERNATIVE FUEL REFUELING PROPERTY**
9 **CREDIT.**

10 (a) IN GENERAL.—Section 30C(g) is amended by
11 striking “December 31, 2017” and inserting “December
12 31, 2020”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to property placed in service after
15 December 31, 2017.

16 **SEC. 126. 2-WHEELED PLUG-IN ELECTRIC VEHICLE CREDIT.**

17 (a) IN GENERAL.—Section 30D(g)(3)(E)(ii) is
18 amended by striking “January 1, 2018” and inserting
19 “January 1, 2021”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to vehicles acquired after Decem-
22 ber 31, 2017.

23 **SEC. 127. CREDIT FOR ELECTRICITY PRODUCED FROM**
24 **CERTAIN RENEWABLE RESOURCES.**

25 (a) IN GENERAL.—The following provisions of sec-
26 tion 45(d) are each amended by striking “January 1,

1 2018” each place it appears and inserting “January 1,
2 2021”:

3 (1) Paragraph (2)(A).

4 (2) Paragraph (3)(A).

5 (3) Paragraph (4)(B).

6 (4) Paragraph (6).

7 (5) Paragraph (7).

8 (6) Paragraph (9).

9 (7) Paragraph (11)(B).

10 (b) EXTENSION OF ELECTION TO TREAT QUALIFIED
11 FACILITIES AS ENERGY PROPERTY.—Section
12 48(a)(5)(C)(ii) is amended by striking “January 1, 2018
13 (January 1, 2020, in the case of any facility which is de-
14 scribed in paragraph (1) of section 45(d))” and inserting
15 “January 1, 2021”.

16 (c) APPLICATION OF EXTENSION TO WIND FACILI-
17 TIES.—

18 (1) IN GENERAL.—Section 45(d)(1) is amended
19 by striking “January 1, 2020” and inserting “Janu-
20 ary 1, 2021”.

21 (2) APPLICATION OF PHASEOUT PERCENT-
22 AGE.—Sections 45(b)(5)(C) and 48(a)(5)(E)(iii) are
23 each amended by striking “and before January 1,
24 2020,”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on January 1, 2018.

3 **SEC. 128. PRODUCTION CREDIT FOR INDIAN COAL FACILI-**
4 **TIES.**

5 (a) IN GENERAL.—Section 45(e)(10)(A) is amended
6 by striking “12-year period” each place it appears and in-
7 serting “15-year period”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to coal produced after December
10 31, 2017.

11 **SEC. 129. ENERGY EFFICIENT HOMES CREDIT.**

12 (a) IN GENERAL.—Section 45L(g) is amended by
13 striking “December 31, 2017” and inserting “December
14 31, 2020”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to homes acquired after December
17 31, 2017.

18 **SEC. 130. SPECIAL ALLOWANCE FOR SECOND GENERATION**
19 **BIOFUEL PLANT PROPERTY.**

20 (a) IN GENERAL.—Section 168(l)(2)(D) is amended
21 by striking “January 1, 2018” and inserting “January 1,
22 2021”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 this section shall apply to property placed in service after
25 December 31, 2017.

1 **SEC. 131. ENERGY EFFICIENT COMMERCIAL BUILDINGS DE-**
2 **DUCTION.**

3 (a) IN GENERAL.—Section 179D(h) is amended by
4 striking “December 31, 2017” and inserting “December
5 31, 2020”.

6 (b) EFFECTIVE DATES.—The amendment made by
7 subsection (a) shall apply to property placed in service
8 after December 31, 2017.

9 **SEC. 132. SPECIAL RULE FOR SALES OR DISPOSITIONS TO**
10 **IMPLEMENT FERC OR STATE ELECTRIC RE-**
11 **STRUCTURING POLICY FOR QUALIFIED ELEC-**
12 **TRIC UTILITIES.**

13 (a) IN GENERAL.—Section 451(k)(3) is amended by
14 striking “January 1, 2018” and inserting “January 1,
15 2021”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to dispositions after December 31,
18 2017.

19 **SEC. 133. EXTENSION AND CLARIFICATION OF EXCISE TAX**
20 **CREDITS RELATING TO ALTERNATIVE FUELS.**

21 (a) EXTENSION.—

22 (1) IN GENERAL.—Sections 6426(d)(5) and
23 6426(e)(3) are each amended by striking “December
24 31, 2017” and inserting “December 31, 2020”.

25 (2) OUTLAY PAYMENTS FOR ALTERNATIVE
26 FUELS.—Section 6427(e)(6)(C) is amended by strik-

1 ing “December 31, 2017” and inserting “December
2 31, 2020”.

3 (3) SPECIAL RULE.—Notwithstanding any other
4 provision of law, in the case of any alternative fuel
5 credit properly determined under section 6426(d) of
6 the Internal Revenue Code of 1986 for the period
7 beginning on January 1, 2018, and ending with the
8 close of the last calendar quarter beginning before
9 the date of the enactment of this Act, such credit
10 shall be allowed, and any refund or payment attrib-
11 utable to such credit (including any payment under
12 section 6427(e) of such Code) shall be made, only in
13 such manner as the Secretary of the Treasury (or
14 the Secretary’s delegate) shall provide. Such Sec-
15 retary shall issue guidance within 30 days after the
16 date of the enactment of this Act providing for a
17 one-time submission of claims covering periods de-
18 scribed in the preceding sentence. Such guidance
19 shall provide for a 180-day period for the submission
20 of such claims (in such manner as prescribed by
21 such Secretary) to begin not later than 30 days after
22 such guidance is issued. Such claims shall be paid
23 by such Secretary not later than 60 days after re-
24 ceipt. If such Secretary has not paid pursuant to a
25 claim filed under this subsection within 60 days

1 after the date of the filing of such claim, the claim
2 shall be paid with interest from such date deter-
3 mined by using the overpayment rate and method
4 under section 6621 of such Code.

5 (4) EFFECTIVE DATE.—The amendments made
6 by this subsection shall apply to fuel sold or used
7 after December 31, 2017.

8 (b) CLARIFICATION OF RULES REGARDING ALTER-
9 NATIVE FUEL MIXTURE CREDIT.—

10 (1) IN GENERAL.—Paragraph (2) of section
11 6426(e) is amended by striking “mixture of alter-
12 native fuel” and inserting “mixture of alternative
13 fuel (other than a fuel described in subparagraph
14 (A), (C), or (F) of subsection (d)(2))”.

15 (2) EFFECTIVE DATE.—The amendment made
16 by this section shall apply to—

17 (A) fuel sold or used on or after the date
18 of the enactment of this Act, and

19 (B) fuel sold or used before such date of
20 enactment, but only to the extent that credits
21 and claims of credit under section 6426(e) of
22 the Internal Revenue Code of 1986 with respect
23 to such sale or use have not been paid or al-
24 lowed as of such date.

1 **SEC. 134. OIL SPILL LIABILITY TRUST FUND RATE.**

2 (a) IN GENERAL.—Section 4611(f)(2) is amended by
3 striking “December 31, 2018” and inserting “December
4 31, 2020”.

5 (b) EFFECTIVE DATE.—The amendment made by
6 this section shall apply on and after the first day of the
7 first calendar month beginning after the date of the enact-
8 ment of this Act.

9 **Subtitle D—Certain Provisions**
10 **Expiring at the End of 2019**

11 **SEC. 141. NEW MARKETS TAX CREDIT.**

12 (a) IN GENERAL.—Section 45D(f)(1) is amended by
13 striking “and” at the end of subparagraph (F), by striking
14 the period at the end of subparagraph (G) and inserting
15 “, and”, and by adding at the end the following new sub-
16 paragraph:

17 “(H) \$5,000,000,000 for 2020.”.

18 (b) CARRYOVER OF UNUSED LIMITATION.—Section
19 45D(f)(3) is amended by striking “2024” and inserting
20 “2025”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to calendar years beginning after
23 December 31, 2019.

1 **SEC. 142. EMPLOYER CREDIT FOR PAID FAMILY AND MED-**
2 **ICAL LEAVE.**

3 (a) IN GENERAL.—Section 45S(i) is amended by
4 striking “December 31, 2019” and inserting “December
5 31, 2020”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to wages paid in taxable years be-
8 ginning after December 31, 2019.

9 **SEC. 143. WORK OPPORTUNITY CREDIT.**

10 (a) IN GENERAL.—Section 51(c)(4) is amended by
11 striking “December 31, 2019” and inserting “December
12 31, 2020”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to individuals who begin work for
15 the employer after December 31, 2019.

16 **SEC. 144. CERTAIN PROVISIONS RELATED TO BEER, WINE,**
17 **AND DISTILLED SPIRITS.**

18 (a) EXEMPTION FOR AGING PROCESS OF BEER,
19 WINE, AND DISTILLED SPIRITS.—

20 (1) IN GENERAL.—Section 263A(f)(4)(B) is
21 amended by striking “December 31, 2019” and in-
22 serting “December 31, 2020”.

23 (2) EFFECTIVE DATE.—The amendment made
24 by this subsection shall apply to interest costs paid
25 or accrued after December 31, 2019.

26 (b) REDUCED RATE OF EXCISE TAX ON BEER.—

1 (1) IN GENERAL.—Paragraphs (1)(C) and
2 (2)(A) of section 5051(a) are each amended by
3 striking “January 1, 2020” and inserting “January
4 1, 2021”.

5 (2) EFFECTIVE DATE.—The amendments made
6 by this subsection shall apply to beer removed after
7 December 31, 2019.

8 (c) TRANSFER OF BEER BETWEEN BONDED FACILI-
9 TIES.—

10 (1) IN GENERAL.—Section 5414(b)(3) is
11 amended by striking “December 31, 2019” and in-
12 serting “December 31, 2020”.

13 (2) EFFECTIVE DATE.—The amendment made
14 by this subsection shall apply to calendar quarters
15 beginning after December 31, 2019.

16 (d) REDUCED RATE OF EXCISE TAX ON CERTAIN
17 WINE.—

18 (1) IN GENERAL.—Section 5041(c)(8)(A) is
19 amended by striking “January 1, 2020” and insert-
20 ing “January 1, 2021”.

21 (2) CONFORMING AMENDMENT.—The heading
22 of section 5041(c)(8) is amended by striking “SPE-
23 CIAL RULE FOR 2018 AND 2019” and inserting
24 “TEMPORARY SPECIAL RULE”.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to wine removed after
3 December 31, 2019.

4 (e) ADJUSTMENT OF ALCOHOL CONTENT LEVEL FOR
5 APPLICATION OF EXCISE TAXES.—

6 (1) IN GENERAL.—Paragraphs (1) and (2) of
7 section 5041(b) are each amended by striking “Jan-
8 uary 1, 2020” and inserting “January 1, 2021”.

9 (2) EFFECTIVE DATE.—The amendments made
10 by this subsection shall apply to wine removed after
11 December 31, 2019.

12 (f) DEFINITION OF MEAD AND LOW ALCOHOL BY
13 VOLUME WINE.—

14 (1) IN GENERAL.—Section 5041(h)(3) is
15 amended by striking “December 31, 2019” and in-
16 serting “December 31, 2020”.

17 (2) EFFECTIVE DATE.—The amendment made
18 by this subsection shall apply to wine removed after
19 December 31, 2019.

20 (g) REDUCED RATE OF EXCISE TAX ON CERTAIN
21 DISTILLED SPIRITS.—

22 (1) IN GENERAL.—Section 5001(c)(3) is
23 amended by striking “December 31, 2019” and in-
24 serting “December 31, 2020”.

1 (2) CONFORMING AMENDMENT.—The heading
2 of section 5001(c) is amended by striking “RE-
3 DUCED RATE FOR 2018 AND 2019” and inserting
4 “TEMPORARY REDUCED RATE”.

5 (3) EFFECTIVE DATE.—The amendments made
6 by this subsection shall apply to distilled spirits re-
7 moved after December 31, 2019.

8 (h) BULK DISTILLED SPIRITS.—

9 (1) IN GENERAL.—Section 5212 is amended by
10 striking “January 1, 2020” and inserting “January
11 1, 2021”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by this subsection shall apply to distilled spirits
14 transferred in bond after December 31, 2019.

15 (i) SIMPLIFICATION OF RULES REGARDING
16 RECORDS, STATEMENTS, AND RETURNS.—

17 (1) IN GENERAL.—Section 5555(a) is amended
18 by striking “January 1, 2020” and inserting “Janu-
19 ary 1, 2021”.

20 (2) EFFECTIVE DATE.—The amendment made
21 by this subsection shall apply to calendar quarters
22 beginning after December 31, 2019.

1 **SEC. 145. LOOK-THRU RULE FOR RELATED CONTROLLED**
2 **FOREIGN CORPORATIONS.**

3 (a) IN GENERAL.—Section 954(c)(6)(C) is amended
4 by striking “January 1, 2020” and inserting “January 1,
5 2021”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to taxable years of foreign corpora-
8 tions beginning after December 31, 2019, and to taxable
9 years of United States shareholders with or within which
10 such taxable years of foreign corporations end.

11 **SEC. 146. CREDIT FOR HEALTH INSURANCE COSTS OF ELI-**
12 **GIBLE INDIVIDUALS.**

13 (a) IN GENERAL.—Section 35(b)(1)(B) is amended
14 by striking “January 1, 2020” and inserting “January 1,
15 2021”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to months beginning after Decem-
18 ber 31, 2019.

19 **TITLE II—ESTATE AND GIFT TAX**

20 **SEC. 201. REDUCTION OF UNIFIED CREDIT AGAINST ES-**
21 **TATE TAX.**

22 (a) IN GENERAL.—Section 2010(c)(3)(C) is amended
23 by striking “January 1, 2026” and inserting “January 1,
24 2023”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to estates of decedents dying and
3 gifts made after December 31, 2022.

4 **TITLE III—DISASTER TAX** 5 **RELIEF**

6 **SEC. 301. DEFINITIONS.**

7 For purposes of this title—

8 (1) QUALIFIED DISASTER AREA.—

9 (A) IN GENERAL.—The term “qualified
10 disaster area” means any area with respect to
11 which a major disaster was declared, during the
12 period beginning on January 1, 2018, and end-
13 ing on the date which is 60 days after the date
14 of the enactment of this Act, by the President
15 under section 401 of the Robert T. Stafford
16 Disaster Relief and Emergency Assistance Act
17 if the incident period of the disaster with re-
18 spect to which such declaration is made begins
19 on or before the date of the enactment of this
20 Act.

21 (B) DENIAL OF DOUBLE BENEFIT.—Such
22 term shall not include the California wildfire
23 disaster area (as defined in section 20101 of
24 subdivision 2 of division B of the Bipartisan
25 Budget Act of 2018).

1 (2) QUALIFIED DISASTER ZONE.—The term
2 “qualified disaster zone” means that portion of any
3 qualified disaster area which was determined by the
4 President, during the period beginning on January
5 1, 2018, and ending on the date which is 60 days
6 after the date of the enactment of this Act, to war-
7 rant individual or individual and public assistance
8 from the Federal Government under the Robert T.
9 Stafford Disaster Relief and Emergency Assistance
10 Act by reason of the qualified disaster with respect
11 to such disaster area.

12 (3) QUALIFIED DISASTER.—The term “quali-
13 fied disaster” means, with respect to any qualified
14 disaster area, the disaster by reason of which a
15 major disaster was declared with respect to such
16 area.

17 (4) INCIDENT PERIOD.—The term “incident pe-
18 riod” means, with respect to any qualified disaster,
19 the period specified by the Federal Emergency Man-
20 agement Agency as the period during which such
21 disaster occurred (except that for purposes of this
22 title such period shall not be treated as beginning
23 before January 1, 2018, or ending after the date
24 which is 30 days after the date of the enactment of
25 this Act).

1 **SEC. 302. SPECIAL DISASTER-RELATED RULES FOR USE OF**
2 **RETIREMENT FUNDS.**

3 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-
4 MENT PLANS.—

5 (1) IN GENERAL.—Section 72(t) of the Internal
6 Revenue Code of 1986 shall not apply to any quali-
7 fied disaster distribution.

8 (2) AGGREGATE DOLLAR LIMITATION.—

9 (A) IN GENERAL.—For purposes of this
10 subsection, the aggregate amount of distribu-
11 tions received by an individual which may be
12 treated as qualified disaster distributions for
13 any taxable year shall not exceed the excess (if
14 any) of—

15 (i) \$100,000, over

16 (ii) the aggregate amounts treated as
17 qualified disaster distributions received by
18 such individual for all prior taxable years.

19 (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would
20 (without regard to subparagraph (A)) be a
21 qualified disaster distribution, a plan shall not
22 be treated as violating any requirement of the
23 Internal Revenue Code of 1986 merely because
24 the plan treats such distribution as a qualified
25 disaster distribution, unless the aggregate
26

1 amount of such distributions from all plans
2 maintained by the employer (and any member
3 of any controlled group which includes the em-
4 ployer) to such individual exceeds \$100,000.

5 (C) CONTROLLED GROUP.—For purposes
6 of subparagraph (B), the term “controlled
7 group” means any group treated as a single
8 employer under subsection (b), (c), (m), or (o)
9 of section 414 of the Internal Revenue Code of
10 1986.

11 (D) SPECIAL RULE FOR INDIVIDUALS AF-
12 FECTED BY MORE THAN ONE DISASTER.—The
13 limitation of subparagraph (A) shall be applied
14 separately with respect to distributions made
15 with respect to each qualified disaster.

16 (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

17 (A) IN GENERAL.—Any individual who re-
18 ceives a qualified disaster distribution may, at
19 any time during the 3-year period beginning on
20 the day after the date on which such distribu-
21 tion was received, make 1 or more contributions
22 in an aggregate amount not to exceed the
23 amount of such distribution to an eligible retire-
24 ment plan of which such individual is a bene-
25 ficiary and to which a rollover contribution of

1 such distribution could be made under section
2 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or
3 457(e)(16), of the Internal Revenue Code of
4 1986, as the case may be.

5 (B) TREATMENT OF REPAYMENTS OF DIS-
6 TRIBUTIONS FROM ELIGIBLE RETIREMENT
7 PLANS OTHER THAN IRAS.—For purposes of
8 the Internal Revenue Code of 1986, if a con-
9 tribution is made pursuant to subparagraph (A)
10 with respect to a qualified disaster distribution
11 from an eligible retirement plan other than an
12 individual retirement plan, then the taxpayer
13 shall, to the extent of the amount of the con-
14 tribution, be treated as having received the
15 qualified disaster distribution in an eligible roll-
16 over distribution (as defined in section
17 402(c)(4) of such Code) and as having trans-
18 ferred the amount to the eligible retirement
19 plan in a direct trustee to trustee transfer with-
20 in 60 days of the distribution.

21 (C) TREATMENT OF REPAYMENTS OF DIS-
22 TRIBUTIONS FROM IRAS.—For purposes of the
23 Internal Revenue Code of 1986, if a contribu-
24 tion is made pursuant to subparagraph (A)
25 with respect to a qualified disaster distribution

1 from an individual retirement plan (as defined
2 by section 7701(a)(37) of such Code), then, to
3 the extent of the amount of the contribution,
4 the qualified disaster distribution shall be treat-
5 ed as a distribution described in section
6 408(d)(3) of such Code and as having been
7 transferred to the eligible retirement plan in a
8 direct trustee to trustee transfer within 60 days
9 of the distribution.

10 (4) DEFINITIONS.—For purposes of this sub-
11 section—

12 (A) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in paragraph (2),
13 the term “qualified disaster distribution” means
14 any distribution from an eligible retirement
15 plan made—
16

17 (i) on or after the first day of the inci-
18 dent period of a qualified disaster and
19 before the date which is 180 days after the
20 date of the enactment of this Act, and

21 (ii) to an individual whose principal
22 place of abode at any time during the inci-
23 dent period of such qualified disaster is lo-
24 cated in the qualified disaster area with re-
25 spect to such qualified disaster and who

1 has sustained an economic loss by reason
2 of such qualified disaster.

3 (B) ELIGIBLE RETIREMENT PLAN.—The
4 term “eligible retirement plan” shall have the
5 meaning given such term by section
6 402(c)(8)(B) of the Internal Revenue Code of
7 1986.

8 (5) INCOME INCLUSION SPREAD OVER 3-YEAR
9 PERIOD.—

10 (A) IN GENERAL.—In the case of any
11 qualified disaster distribution, unless the tax-
12 payer elects not to have this paragraph apply
13 for any taxable year, any amount required to be
14 included in gross income for such taxable year
15 shall be so included ratably over the 3-taxable-
16 year period beginning with such taxable year.

17 (B) SPECIAL RULE.—For purposes of sub-
18 paragraph (A), rules similar to the rules of sub-
19 paragraph (E) of section 408A(d)(3) of the In-
20 ternal Revenue Code of 1986 shall apply.

21 (6) SPECIAL RULES.—

22 (A) EXEMPTION OF DISTRIBUTIONS FROM
23 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
24 HOLDING RULES.—For purposes of sections
25 401(a)(31), 402(f), and 3405 of the Internal

1 Revenue Code of 1986, qualified disaster dis-
2 tributions shall not be treated as eligible roll-
3 over distributions.

4 (B) QUALIFIED DISASTER DISTRIBUTIONS
5 TREATED AS MEETING PLAN DISTRIBUTION RE-
6 QUIREMENTS.—For purposes the Internal Rev-
7 enue Code of 1986, a qualified disaster dis-
8 tribution shall be treated as meeting the re-
9 quirements of sections 401(k)(2)(B)(i),
10 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)
11 of such Code.

12 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR
13 HOME PURCHASES.—

14 (1) RECONTRIBUTIONS.—

15 (A) IN GENERAL.—Any individual who re-
16 ceived a qualified distribution may, during the
17 applicable period, make 1 or more contributions
18 in an aggregate amount not to exceed the
19 amount of such qualified distribution to an eli-
20 gible retirement plan (as defined in section
21 402(c)(8)(B) of the Internal Revenue Code of
22 1986) of which such individual is a beneficiary
23 and to which a rollover contribution of such dis-
24 tribution could be made under section 402(c),

1 403(a)(4), 403(b)(8), or 408(d)(3), of such
2 Code, as the case may be.

3 (B) TREATMENT OF REPAYMENTS.—Rules
4 similar to the rules of subparagraphs (B) and
5 (C) of subsection (a)(3) shall apply for purposes
6 of this subsection.

7 (2) QUALIFIED DISTRIBUTION.—For purposes
8 of this subsection, the term “qualified distribution”
9 means any distribution—

10 (A) described in section
11 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only
12 to the extent such distribution relates to finan-
13 cial hardship), 403(b)(11)(B), or 72(t)(2)(F),
14 of the Internal Revenue Code of 1986,

15 (B) which was to be used to purchase or
16 construct a principal residence in a qualified
17 disaster area, but which was not so used on ac-
18 count of the qualified disaster with respect to
19 such area, and

20 (C) which was received during the period
21 beginning on the date which is 180 days before
22 the first day of the incident period of such
23 qualified disaster and ending on the date which
24 is 30 days after the last day of such incident
25 period.

1 (3) APPLICABLE PERIOD.—For purposes of this
2 subsection, the term “applicable period” means, in
3 the case of a principal residence in a qualified dis-
4 aster area with respect to any qualified disaster, the
5 period beginning on the first day of the incident pe-
6 riod of such qualified disaster and ending on the
7 date which is 180 days after the date of the enact-
8 ment of this Act.

9 (c) LOANS FROM QUALIFIED PLANS.—

10 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
11 ED AS DISTRIBUTIONS.—In the case of any loan
12 from a qualified employer plan (as defined under
13 section 72(p)(4) of the Internal Revenue Code of
14 1986) to a qualified individual made during the 180-
15 day period beginning on the date of the enactment
16 of this Act—

17 (A) clause (i) of section 72(p)(2)(A) of
18 such Code shall be applied by substituting
19 “\$100,000” for “\$50,000”, and

20 (B) clause (ii) of such section shall be ap-
21 plied by substituting “the present value of the
22 nonforfeitable accrued benefit of the employee
23 under the plan” for “one-half of the present
24 value of the nonforfeitable accrued benefit of
25 the employee under the plan”.

1 (2) DELAY OF REPAYMENT.—In the case of a
2 qualified individual (with respect to any qualified
3 disaster) with an outstanding loan (on or after the
4 first day of the incident period of such qualified dis-
5 aster) from a qualified employer plan (as defined in
6 section 72(p)(4) of the Internal Revenue Code of
7 1986)—

8 (A) if the due date pursuant to subpara-
9 graph (B) or (C) of section 72(p)(2) of such
10 Code for any repayment with respect to such
11 loan occurs during the period beginning on the
12 first day of the incident period of such qualified
13 disaster and ending on the date which is 180
14 days after the last day of such incident period,
15 such due date shall be delayed for 1 year (or,
16 if later, until the date which is 180 days after
17 the date of the enactment of this Act),

18 (B) any subsequent repayments with re-
19 spect to any such loan shall be appropriately
20 adjusted to reflect the delay in the due date
21 under subparagraph (A) and any interest accru-
22 ing during such delay, and

23 (C) in determining the 5-year period and
24 the term of a loan under subparagraph (B) or
25 (C) of section 72(p)(2) of such Code, the period

1 described in subparagraph (A) of this para-
2 graph shall be disregarded.

3 (3) QUALIFIED INDIVIDUAL.—For purposes of
4 this subsection, the term “qualified individual”
5 means any individual—

6 (A) whose principal place of abode at any
7 time during the incident period of any qualified
8 disaster is located in the qualified disaster area
9 with respect to such qualified disaster, and

10 (B) who has sustained an economic loss by
11 reason of such qualified disaster.

12 (d) PROVISIONS RELATING TO PLAN AMEND-
13 MENTS.—

14 (1) IN GENERAL.—If this subsection applies to
15 any amendment to any plan or annuity contract,
16 such plan or contract shall be treated as being oper-
17 ated in accordance with the terms of the plan during
18 the period described in paragraph (2)(B)(i).

19 (2) AMENDMENTS TO WHICH SUBSECTION AP-
20 PLIES.—

21 (A) IN GENERAL.—This subsection shall
22 apply to any amendment to any plan or annuity
23 contract which is made—

24 (i) pursuant to any provision of this
25 section, or pursuant to any regulation

1 issued by the Secretary or the Secretary of
2 Labor under any provision of this section,
3 and

4 (ii) on or before the last day of the
5 first plan year beginning on or after Janu-
6 ary 1, 2020, or such later date as the Sec-
7 retary may prescribe.

8 In the case of a governmental plan (as defined
9 in section 414(d) of the Internal Revenue Code
10 of 1986), clause (ii) shall be applied by sub-
11 stituting the date which is 2 years after the
12 date otherwise applied under clause (ii).

13 (B) CONDITIONS.—This subsection shall
14 not apply to any amendment unless—

15 (i) during the period—

16 (I) beginning on the date that
17 this section or the regulation de-
18 scribed in subparagraph (A)(i) takes
19 effect (or in the case of a plan or con-
20 tract amendment not required by this
21 section or such regulation, the effec-
22 tive date specified by the plan), and

23 (II) ending on the date described
24 in subparagraph (A)(ii) (or, if earlier,

1 the date the plan or contract amend-
2 ment is adopted),
3 the plan or contract is operated as if such plan
4 or contract amendment were in effect, and
5 (ii) such plan or contract amendment
6 applies retroactively for such period.

7 **SEC. 303. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
8 **AFFECTED BY QUALIFIED DISASTERS.**

9 (a) IN GENERAL.—For purposes of section 38 of the
10 Internal Revenue Code of 1986, in the case of an eligible
11 employer, the 2018 qualified disaster employee retention
12 credit shall be treated as a credit listed at the end of sub-
13 section (b) of such section. For purposes of this sub-
14 section, the 2018 qualified disaster employee retention
15 credit for any taxable year is an amount equal to 40 per-
16 cent of the qualified wages with respect to each eligible
17 employee of such employer for such taxable year. The
18 amount of qualified wages with respect to any employee
19 which may be taken into account under this subsection
20 by the employer for any taxable year shall not exceed
21 \$6,000 (reduced by the amount of qualified wages with
22 respect to such employee which may be so taken into ac-
23 count for any prior taxable year).

24 (b) DEFINITIONS.—For purposes of this section—

1 (1) ELIGIBLE EMPLOYER.—The term “eligible
2 employer” means any employer—

3 (A) which conducted an active trade or
4 business in a qualified disaster zone at any time
5 during the incident period of the qualified dis-
6 aster with respect to such qualified disaster
7 zone, and

8 (B) with respect to whom the trade or
9 business described in subparagraph (A) is inop-
10 erable at any time during the period beginning
11 on the first day of the incident period of such
12 qualified disaster and ending on the date of the
13 enactment of this Act, as a result of damage
14 sustained by reason of such qualified disaster.

15 (2) ELIGIBLE EMPLOYEE.—The term “eligible
16 employee” means with respect to an eligible em-
17 ployer an employee whose principal place of employ-
18 ment with such eligible employer (determined imme-
19 diately before the qualified disaster referred to in
20 paragraph (1)) was in the qualified disaster zone re-
21 ferred to in such paragraph.

22 (3) QUALIFIED WAGES.—The term “qualified
23 wages” means wages (as defined in section 51(c)(1)
24 of the Internal Revenue Code of 1986, but without
25 regard to section 3306(b)(2)(B) of such Code) paid

1 or incurred by an eligible employer with respect to
2 an eligible employee at any time on or after the date
3 on which the trade or business described in para-
4 graph (1) first became inoperable at the principal
5 place of employment of the employee (determined
6 immediately before the qualified disaster referred to
7 in such paragraph) and before the earlier of—

8 (A) the date on which such trade or busi-
9 ness has resumed significant operations at such
10 principal place of employment, or

11 (B) the date which 150 days after the last
12 day of the incident period of the qualified dis-
13 aster referred to in paragraph (1).

14 Such term shall include wages paid without regard
15 to whether the employee performs no services, per-
16 forms services at a different place of employment
17 than such principal place of employment, or per-
18 forms services at such principal place of employment
19 before significant operations have resumed.

20 (c) CERTAIN RULES TO APPLY.—For purposes of
21 this subsection, rules similar to the rules of sections
22 51(i)(1), 52, and 280C(a), of the Internal Revenue Code
23 of 1986, shall apply.

24 (d) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE
25 THAN ONCE.—An employee shall not be treated as an eli-

1 gible employee for purposes of this subsection for any pe-
2 riod with respect to any employer if such employer is al-
3 lowed a credit under section 51 of the Internal Revenue
4 Code of 1986 with respect to such employee for such pe-
5 riod.

6 **SEC. 304. OTHER DISASTER-RELATED TAX RELIEF PROVI-**
7 **SIONS.**

8 (a) TEMPORARY INCREASE IN LIMITATION ON
9 QUALIFIED CONTRIBUTIONS.—

10 (1) SUSPENSION OF CURRENT LIMITATION.—

11 Except as otherwise provided in paragraph (2),
12 qualified contributions shall be disregarded in apply-
13 ing subsections (b) and (d) of section 170 of the In-
14 ternal Revenue Code of 1986.

15 (2) APPLICATION OF INCREASED LIMITATION.—

16 For purposes of section 170 of the Internal Revenue
17 Code of 1986—

18 (A) INDIVIDUALS.—In the case of an indi-
19 vidual—

20 (i) LIMITATION.—Any qualified con-
21 tribution shall be allowed as a deduction
22 only to the extent that the aggregate of
23 such contributions does not exceed the ex-
24 cess of the taxpayer's contribution base (as
25 defined in subparagraph (H) of section

1 170(b)(1) of such Code) over the amount
2 of all other charitable contributions allowed
3 under section 170(b)(1) of such Code.

4 (ii) CARRYOVER.—If the aggregate
5 amount of qualified contributions made in
6 the contribution year (within the meaning
7 of section 170(d)(1) of such Code) exceeds
8 the limitation of clause (i), such excess
9 shall be added to the excess described in
10 section 170(b)(1)(G)(ii).

11 (B) CORPORATIONS.—In the case of a cor-
12 poration—

13 (i) LIMITATION.—Any qualified con-
14 tribution shall be allowed as a deduction
15 only to the extent that the aggregate of
16 such contributions does not exceed the ex-
17 cess of the taxpayer's taxable income (as
18 determined under paragraph (2) of section
19 170(b) of such Code) over the amount of
20 all other charitable contributions allowed
21 under such paragraph.

22 (ii) CARRYOVER.—If the aggregate
23 amount of qualified contributions made in
24 the contribution year (within the meaning
25 of section 170(d)(2) of such Code) exceeds

1 the limitation of clause (i), such excess
2 shall be appropriately taken into account
3 under section 170(d)(2) subject to the limi-
4 tations thereof.

5 (3) QUALIFIED CONTRIBUTIONS.—

6 (A) IN GENERAL.—For purposes of this
7 subsection, the term “qualified contribution”
8 means any charitable contribution (as defined
9 in section 170(c) of the Internal Revenue Code
10 of 1986) if—

11 (i) such contribution—

12 (I) is paid, during the period be-
13 ginning on January 1, 2018, and end-
14 ing on the date which is 60 days after
15 the date of the enactment of this Act,
16 in cash to an organization described
17 in section 170(b)(1)(A) of such Code,
18 and

19 (II) is made for relief efforts in
20 one or more qualified disaster areas,

21 (ii) the taxpayer obtains from such or-
22 ganization contemporaneous written ac-
23 knowledgment (within the meaning of sec-
24 tion 170(f)(8) of such Code) that such con-
25 tribution was used (or is to be used) for

1 relief efforts described in clause (i)(II),
2 and

3 (iii) the taxpayer has elected the ap-
4 plication of this subsection with respect to
5 such contribution.

6 (B) EXCEPTION.—Such term shall not in-
7 clude a contribution by a donor if the contribu-
8 tion is—

9 (i) to an organization described in sec-
10 tion 509(a)(3) of the Internal Revenue
11 Code of 1986, or

12 (ii) for the establishment of a new, or
13 maintenance of an existing, donor advised
14 fund (as defined in section 4966(d)(2) of
15 such Code).

16 (C) APPLICATION OF ELECTION TO PART-
17 NERSHIPS AND S CORPORATIONS.—In the case
18 of a partnership or S corporation, the election
19 under subparagraph (A)(iii) shall be made sepa-
20 rately by each partner or shareholder.

21 (b) SPECIAL RULES FOR QUALIFIED DISASTER-RE-
22 LATED PERSONAL CASUALTY LOSSES.—

23 (1) IN GENERAL.—If an individual has a net
24 disaster loss for any taxable year—

1 (A) the amount determined under section
2 165(h)(2)(A)(ii) of the Internal Revenue Code
3 of 1986 shall be equal to the sum of—

4 (i) such net disaster loss, and

5 (ii) so much of the excess referred to
6 in the matter preceding clause (i) of sec-
7 tion 165(h)(2)(A) of such Code (reduced
8 by the amount in clause (i) of this sub-
9 paragraph) as exceeds 10 percent of the
10 adjusted gross income of the individual,

11 (B) section 165(h)(1) of such Code shall
12 be applied by substituting “\$500” for “\$500
13 (\$100 for taxable years beginning after Decem-
14 ber 31, 2009”),

15 (C) the standard deduction determined
16 under section 63(c) of such Code shall be in-
17 creased by the net disaster loss, and

18 (D) section 56(b)(1)(E) of such Code shall
19 not apply to so much of the standard deduction
20 as is attributable to the increase under sub-
21 paragraph (C) of this paragraph.

22 (2) NET DISASTER LOSS.—For purposes of this
23 subsection, the term “net disaster loss” means the
24 excess of qualified disaster-related personal casualty
25 losses over personal casualty gains (as defined in

1 section 165(h)(3)(A) of the Internal Revenue Code
2 of 1986).

3 (3) QUALIFIED DISASTER-RELATED PERSONAL
4 CASUALTY LOSSES.—For purposes of this sub-
5 section, the term “qualified disaster-related personal
6 casualty losses” means losses described in section
7 165(c)(3) of the Internal Revenue Code of 1986
8 which arise in a qualified disaster area on or after
9 the first day of the incident period of the qualified
10 disaster to which such area relates, and which are
11 attributable to such qualified disaster.

12 (c) SPECIAL RULE FOR DETERMINING EARNED IN-
13 COME.—

14 (1) IN GENERAL.—In the case of a qualified in-
15 dividual, if the earned income of the taxpayer for the
16 applicable taxable year is less than the earned in-
17 come of the taxpayer for the preceding taxable year,
18 the credits allowed under sections 24(d) and 32 of
19 the Internal Revenue Code of 1986 may, at the elec-
20 tion of the taxpayer, be determined by sub-
21 stituting—

22 (A) such earned income for the preceding
23 taxable year, for

24 (B) such earned income for the applicable
25 taxable year.

1 (2) QUALIFIED INDIVIDUAL.—For purposes of
2 this subsection—

3 (A) IN GENERAL.—The term “qualified in-
4 dividual” means any individual whose principal
5 place of abode at any time during the incident
6 period of any qualified disaster was located—

7 (i) in the qualified disaster zone with
8 respect to such qualified disaster, or

9 (ii) in the qualified disaster area with
10 respect to such qualified disaster (but out-
11 side the qualified disaster zone with re-
12 spect to such qualified disaster) and such
13 individual was displaced from such prin-
14 cipal place of abode by reason of such
15 qualified disaster.

16 (B) HURRICANE SANDY.—The term
17 “qualified individual” includes any individual
18 whose principal place of abode at any time dur-
19 ing the period beginning on October 29, 2012,
20 and ending on November 3, 2012, was lo-
21 cated—

22 (i) in that portion of the area de-
23 scribed in clause (ii) which was determined
24 by the President to warrant individual or
25 individual and public assistance from the

1 Federal Government under the Robert T.
2 Stafford Disaster Relief and Emergency
3 Assistance Act by reason of Hurricane
4 Sandy, or

5 (ii) in the area with respect to which
6 a major disaster was declared by the Presi-
7 dent under section 401 of the Robert T.
8 Stafford Disaster Relief and Emergency
9 Assistance Act by reason of Hurricane
10 Sandy and such individual was displaced
11 from such principal place of abode by rea-
12 son of Hurricane Sandy.

13 (3) APPLICABLE TAXABLE YEAR.—The term
14 “applicable taxable year” means—

15 (A) in the case of a qualified individual
16 other than an individual described in subpara-
17 graph (B), any taxable year which includes any
18 portion of the incident period of the qualified
19 disaster to which the qualified disaster area re-
20 ferred to in paragraph (2)(A) relates, or

21 (B) in the case of a qualified individual de-
22 scribed in subparagraph (B) of paragraph (2),
23 any taxable year which includes any portion of
24 the period described in such subparagraph.

1 (4) EARNED INCOME.—For purposes of this
2 subsection, the term “earned income” has the mean-
3 ing given such term under section 32(c) of the Inter-
4 nal Revenue Code of 1986.

5 (5) SPECIAL RULES.—

6 (A) APPLICATION TO JOINT RETURNS.—

7 For purposes of paragraph (1), in the case of
8 a joint return for an applicable taxable year—

9 (i) such paragraph shall apply if ei-
10 ther spouse is a qualified individual, and

11 (ii) the earned income of the taxpayer
12 for the preceding taxable year shall be the
13 sum of the earned income of each spouse
14 for such preceding taxable year.

15 (B) UNIFORM APPLICATION OF ELEC-
16 TION.—Any election made under paragraph (1)
17 shall apply with respect to both sections 24(d)
18 and 32 of the Internal Revenue Code of 1986.

19 (C) ERRORS TREATED AS MATHEMATICAL
20 ERROR.—For purposes of section 6213 of the
21 Internal Revenue Code of 1986, an incorrect
22 use on a return of earned income pursuant to
23 paragraph (1) shall be treated as a mathe-
24 matical or clerical error.

1 (D) NO EFFECT ON DETERMINATION OF
2 GROSS INCOME, ETC.—Except as otherwise pro-
3 vided in this subsection, the Internal Revenue
4 Code of 1986 shall be applied without regard to
5 any substitution under paragraph (1).

6 (E) EXTENSION OF PERIOD OF LIMITA-
7 TION FOR CERTAIN INDIVIDUALS AFFECTED BY
8 HURRICANE SANDY.—

9 (i) IN GENERAL.—In the case of an
10 individual described in paragraph (2)(B),
11 the period of limitation prescribed by sec-
12 tion 6511(a) of the Internal Revenue Code
13 of 1986 for any applicable taxable year
14 shall be extended until the date prescribed
15 by law (including extensions) for filing the
16 return of tax for the taxable year that in-
17 cludes the date of the enactment of this
18 Act, and section 6511(b)(2) of such Code
19 shall not apply to any claim of credit or re-
20 fund with respect to the return for such
21 applicable tax year.

22 (ii) AMENDMENTS, ETC. RESTRICTED
23 TO CHANGES TO EARNED INCOME.—Clause
24 (i) shall apply only with respect to amend-
25 ments to the return of tax, and claims for

1 credit or refund, relating to a change in
2 the earned income of the individual.

3 **SEC. 305. AUTOMATIC EXTENSION OF FILING DEADLINES**
4 **IN CASE OF CERTAIN TAXPAYERS AFFECTED**
5 **BY FEDERALLY DECLARED DISASTERS.**

6 (a) IN GENERAL.—Section 7508A is amended by
7 adding at the end the following new subsection:

8 “(d) MANDATORY 60-DAY EXTENSION.—

9 “(1) IN GENERAL.—In the case of any qualified
10 taxpayer, the period—

11 “(A) beginning on the earliest incident
12 date specified in the declaration to which the
13 disaster area referred to in paragraph (2) re-
14 lates, and

15 “(B) ending on the date which is 60 days
16 after the latest incident date so specified,
17 shall be disregarded in the same manner as a period
18 specified under subsection (a).

19 “(2) QUALIFIED TAXPAYER.—For purposes of
20 this subsection, the term ‘qualified taxpayer’
21 means—

22 “(A) any individual whose principal resi-
23 dence (for purposes of section 1033(h)(4)) is lo-
24 cated in a disaster area,

1 “(B) any taxpayer if the taxpayer’s prin-
2 cipal place of business (other than the business
3 of performing services as an employee) is lo-
4 cated in a disaster area,

5 “(C) any individual who is a relief worker
6 affiliated with a recognized government or phil-
7 anthropic organization and who is assisting in
8 a disaster area,

9 “(D) any taxpayer whose records necessary
10 to meet a deadline for an act described in sec-
11 tion 7508(a)(1) are maintained in a disaster
12 area,

13 “(E) any individual visiting a disaster area
14 who was killed or injured as a result of the dis-
15 aster, and

16 “(F) solely with respect to a joint return,
17 any spouse of an individual described in any
18 preceding subparagraph of this paragraph.

19 “(3) DISASTER AREA.—For purposes of this
20 subsection, the term ‘disaster area’ has the meaning
21 given such term under subparagraph (B) of section
22 165(i)(5) with respect to a Federally declared dis-
23 aster (as defined in subparagraph (A) of such sec-
24 tion).

1 “(4) APPLICATION TO RULES REGARDING PEN-
2 SIONS.—In the case of any person described in sub-
3 section (b), a rule similar to the rule of paragraph
4 (1) shall apply for purposes of subsection (b) with
5 respect to—

6 “(A) making contributions to a qualified
7 retirement plan (within the meaning of section
8 4974(c)) under section 219(f)(3), 404(a)(6),
9 404(h)(1)(B), or 404(m)(2),

10 “(B) making distributions under section
11 408(d)(4),

12 “(C) recharacterizing contributions under
13 section 408A(d)(6), and

14 “(D) making a rollover under section
15 402(c), 403(a)(4), 403(b)(8), or 408(d)(3).

16 “(5) COORDINATION WITH PERIODS SPECIFIED
17 BY THE SECRETARY.—Any period described in para-
18 graph (1) with respect to any person (including by
19 reason of the application of paragraph (4)) shall be
20 in addition to (or concurrent with, as the case may
21 be) any period specified under subsection (a) or (b)
22 with respect to such person.”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 this section shall apply to federally declared disasters de-
25 clared after the date of the enactment of this Act.

1 **SEC. 306. MODIFICATION OF THE TAX RATE FOR THE EX-**
2 **CISE TAX ON INVESTMENT INCOME OF PRI-**
3 **VATE FOUNDATIONS.**

4 (a) IN GENERAL.—Section 4940(a) is amended by
5 striking “2 percent” and inserting “1.39 percent”.

6 (b) ELIMINATION OF REDUCED TAX WHERE FOUN-
7 DATION MEETS CERTAIN DISTRIBUTION REQUIRE-
8 MENTS.—Section 4940 of such Code is amended by strik-
9 ing subsection (e).

10 (c) EFFECTIVE DATE.—The amendments made by
11 this subsection shall apply to taxable years beginning after
12 the date of the enactment of this Act.

13 **SEC. 307. ADDITIONAL LOW-INCOME HOUSING CREDIT AL-**
14 **LOCATIONS FOR QUALIFIED 2017 AND 2018**
15 **CALIFORNIA DISASTER AREAS.**

16 (a) IN GENERAL.—For purposes of section 42 of the
17 Internal Revenue Code of 1986, the State housing credit
18 ceiling for California for calendar year 2019 shall be in-
19 creased by the lesser of—

20 (1) the aggregate housing credit dollar amount
21 allocated by the State housing credit agencies of
22 California for such calendar year to buildings located
23 in qualified 2017 and 2018 California disaster areas,
24 or

1 (2) 50 percent of the sum of the State housing
2 credit ceilings for California for calendar years 2017
3 and 2018.

4 (b) ALLOCATIONS TREATED AS MADE FIRST FROM
5 ADDITIONAL ALLOCATION FOR PURPOSES OF DETER-
6 MINING CARRYOVER.—For purposes of determining the
7 unused State housing credit ceiling for any calendar year
8 under section 42(h)(3)(C) of the Internal Revenue Code
9 of 1986, any increase in the State housing credit ceiling
10 under subsection (a) shall be treated as an amount de-
11 scribed in clause (ii) of such section.

12 (c) DEFINITIONS.—For purposes of this section—

13 (1) QUALIFIED 2017 AND 2018 CALIFORNIA DIS-
14 ASTER AREAS.—The term “qualified 2017 and 2018
15 California disaster areas” means any area in Cali-
16 fornia which was determined by the President (be-
17 fore January 1, 2019) to warrant individual or indi-
18 vidual and public assistance from the Federal Gov-
19 ernment under the Robert T. Stafford Disaster Re-
20 lief and Emergency Assistance Act by reason of a
21 major disaster the incident period of which begins or
22 ends in calendar year 2017 or 2018. Notwith-
23 standing section 301, for purposes of the preceding
24 sentence, the term “incident period” means the pe-
25 riod specified by the Federal Emergency Manage-

1 ment Agency as the period during which the disaster
2 occurred.

3 (2) OTHER DEFINITIONS.—Terms used in this
4 section which are also used in section 42 of the In-
5 ternal Revenue Code of 1986 shall have the same
6 meaning in this section as in such section 42.

7 **SEC. 308. TREATMENT OF CERTAIN POSSESSIONS.**

8 (a) PAYMENTS TO POSSESSIONS WITH MIRROR
9 CODE TAX SYSTEMS.—The Secretary of the Treasury
10 shall pay to each possession of the United States which
11 has a mirror code tax system amounts equal to the loss
12 (if any) to that possession by reason of the application
13 of the provisions of this title. Such amounts shall be deter-
14 mined by the Secretary of the Treasury based on informa-
15 tion provided by the government of the respective posses-
16 sion.

17 (b) PAYMENTS TO OTHER POSSESSIONS.—The Sec-
18 retary of the Treasury shall pay to each possession of the
19 United States which does not have a mirror code tax sys-
20 tem amounts estimated by the Secretary of the Treasury
21 as being equal to the aggregate benefits (if any) that
22 would have been provided to residents of such possession
23 by reason of the provisions of this title if a mirror code
24 tax system had been in effect in such possession. The pre-
25 ceding sentence shall not apply unless the respective pos-

1 session has a plan, which has been approved by the Sec-
2 retary of the Treasury, under which such possession will
3 promptly distribute such payments to its residents.

4 (c) MIRROR CODE TAX SYSTEM.—For purposes of
5 this section, the term “mirror code tax system” means,
6 with respect to any possession of the United States, the
7 income tax system of such possession if the income tax
8 liability of the residents of such possession under such sys-
9 tem is determined by reference to the income tax laws of
10 the United States as if such possession were the United
11 States.

12 (d) TREATMENT OF PAYMENTS.—For purposes of
13 section 1324 of title 31, United States Code, the payments
14 under this section shall be treated in the same manner
15 as a refund due from a credit provision referred to in sub-
16 section (b)(2) of such section.

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